

8. CORPORATE GOVERNANCE



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8.1 INTRODUCTION

Euronext N.V. (hereinafter referred to as 'Euronext') is a Dutch public limited liability company (*naamloze vennootschap*) that has a listing on the *Premier Marché* of Euronext Paris. As a Dutch company whose shares are listed in France, Euronext will follow the applicable regulations of both France and the Netherlands when reporting on its corporate governance policy.

The Supervisory Board and the Managing Board of Euronext place great value on a management structure that incorporates effective checks and balances, proper procedures for managing risks attached to opportunities, and accountability towards shareholders with regard to the policies pursued. Any policy must result in rewards for stakeholders, and in particular shareholders.

In 2003 the issue of good corporate governance received a great deal of international attention. Financial irregularities that came to light in various companies, in the United States and subsequently in Europe, have led over the past two years to a fall in investors' confidence. Corporate governance is widely considered to be crucial for rebuilding confidence in listed companies and in the financial markets in general. Initiatives have been developed in various countries, which have resulted in new legislation and regulations as well as new corporate governance codes.

Euronext Amsterdam was one of the initiators of the establishment of the Dutch Corporate Governance Code. The Supervisory Board and the Managing Board discussed developments surrounding Euronext's corporate governance on several occasions during 2003.

The Managing Board and Supervisory Board endorse the principles as set out by the Dutch Corporate Governance Code, and French Corporate Governance regulation⁽¹⁾ as well as the UK Combined Code. This chapter describes the extent to which the company already applies the Dutch and the French codes and which steps have yet to be taken. The Supervisory Board and the Managing Board are of the

opinion that when the company's current corporate governance structure is combined with the changes planned for the coming years Euronext will comply with most aspects set out in the codes. Euronext expects that the need to explain why it has not followed the codes in a particular area will be restricted to a limited number of issues. When deviating from one of the codes' recommendations, the Supervisory Board will normally do so in the light of the specific character of the company and its international presence.

The Supervisory Board and the Managing Board intend to formulate a policy on corporate governance, which they will report on in the 2004 annual report and which they will put on the agenda of the General Meeting in 2005 for approval. Significant changes affecting the corporate governance structure or compliance with the codes will be included as separate items on the agenda for the Annual General Meeting.

Euronext will take steps to further transparency by providing information on its corporate governance on its website in the future. On its website, Euronext will publish information as required by the corporate governance codes, such as the rules of procedure for the Supervisory Board, the Supervisory Board's rotation schedule and profile and the company rules on acquisition and disposal of Euronext shares. The company will also take steps to enable shareholders to follow analysts meetings through webcasting and presentations will be published on the company website.

Starting with the 2004 Annual General Meeting, Euronext will webcast its General Meetings.

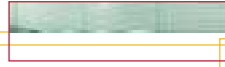
Euronext does not exert any influence over reports produced by analysts or assessments made by analysts or rating agencies (other than by reviewing and commenting on factual information), nor does it finance such studies.

8.2 EURONEXT AND CORPORATE GOVERNANCE

Pursuant to the Dutch and French corporate governance regulations, the most important areas to which attention should be paid

(1) Dutch Corporate Governance Code (*Tabaksblat*) issued 9th December 2003 and French Corporate Governance regulation based on *Loi de Sécurité Financière* (issued 1st August 2003) and on the *Rapport Bouton* of 2002.





are the Managing Board (§ 8.2.1), the Supervisory Board (§ 8.2.2), shareholders and the General Meetings of Shareholders (§ 8.2.3), audits of financial reports and the position of the external auditor (§ 8.2.4), Risk management and internal control system (§ 8.3), Transparency (§ 8.4), and Future policy (§ 8.5). These aspects are discussed below.

8.2.1 MANAGING BOARD

The Managing Board is responsible for managing the company and is supervised by the Supervisory Board.

The appointment of members of the Managing Board is determined by the Supervisory Board. The Supervisory Board appoints a chairman from among the members of the Managing Board. The General Meeting is notified of any proposed appointment or dismissal of members. Currently the Supervisory Board determines the remuneration and other terms and conditions of employment of each member of the Managing Board in line with the remuneration policy. With effect from 2005 the remuneration policy will be subject to approval by the General Meeting. The Supervisory Board can dismiss or suspend members of the Managing Board at any time. Any conflict of interests or potential conflict of interests between the company and the members of the Managing Board will be avoided. A member of the Managing Board will immediately report any conflict of interests or potential conflict of interest of material significance to the chairman of the Supervisory Board and to the other members of the Managing Board. In the event that a conflict of interests may arise the chairman shall decide that the member or members concerned:

- must refrain from voting on the relevant matter and/or
- may not attend the meeting or the part of the meeting in which the relevant matter is discussed and/or
- may not receive any documents relating to the relevant matter.

Each Managing Board member who joins Euronext after the Annual General Meeting of 2004 will, depending on the

legislation and regulations applicable to the Euronext entity with which the Managing Board member has an employment relationship, be appointed as member of the Managing Board for renewable periods of four years.

The Managing Board meets frequently to discuss the company's strategy and the progress of key operational matters, approve proposals and take decisions. The company is organised in Strategic Business Units (SBUs) and in Group support departments. The Managing Board discusses all important developments with the heads of the SBUs and the heads of the Group support departments. Furthermore, the Managing Board reports periodically to the Supervisory Board and discusses the company's policy.

At least once a year the Managing Board submits to the Supervisory Board for approval the company's operational and financial objectives and the strategy on how to achieve these objectives. The most important aspects are presented in chapter 7.1.6 of this annual report. The Supervisory Board has decided that in addition to the decisions that have to be submitted to the Supervisory Board for approval pursuant to the law and the articles of association, certain other decisions have to be submitted for approval as well. In connection with this, the Supervisory Board has established a set of regulations and an authorization schedule to be observed by the Managing Board.

Two share option plans have come into effect since Euronext was founded. Members of the Managing Board participate in both these plans. No share option plans came into effect in 2003. The option plans that the company adopted in the past did not contain any performance criteria but did include a three-year vesting period during which the options could not be exercised. Any future option plans will contain performance criteria for members of the Managing Board. To date, no Euronext shares have been granted to members of the Managing Board as part of their remuneration. No loans or guarantees have been granted to members of the Managing Board.

8.2.2 SUPERVISORY BOARD

As it is incorporated in the Netherlands, Euronext has to comply with Dutch corporate law. Upon its formation it adopted the statutory two-tier board system on a voluntary basis, with a Supervisory Board and a Managing Board. The Supervisory Board is independent from the Managing Board. Serving members of the Supervisory Board cannot also be on the Managing Board at the same time.

The Supervisory Board supervises the main Managing Board's activities and policies with regard to aspects such as the achievement of corporate objectives, general business operations, corporate strategy and risk, financial reporting, and compliance with legislation and regulations. The Supervisory Board also assists the Managing Board and provides the Managing Board with advice.

The Supervisory Board appoints its own members, taking due account of the Supervisory Board profile that it has adopted. Pursuant to applicable law, the General Meeting, the Managing Board and the Euronext Amsterdam Works Council can recommend persons for appointment as members of the Supervisory Board. The General Meeting, the Euronext Amsterdam Works Council and as a regulatory matter Euronext's joint regulators may submit objections to proposed appointments. The General Meeting determines the remuneration of the members of the Supervisory Board. According to the company's articles of association, each member of the Supervisory Board is appointed for a term of four years. The regulations of the Supervisory Board will be amended to state that a person may be appointed to the Supervisory Board for a maximum of three four-year terms. To avoid a situation in which the retirement of many Supervisory Board members coincide, the Supervisory Board has established a rotation schedule.

The Supervisory Board is authorized to remove its members from office.

A Supervisory Board member shall retire early in the event of unsatisfactory performance, a structural conflict of interests or another situation in which, in the Supervisory Board's opinion, this course of action is required.

The Supervisory Board profile describes the composition of the Supervisory Board and lists the required skills, expertise and experience of its members. Every year the profile of the Supervisory Board is evaluated and modified as and when necessary.

The Supervisory Board adopted a set of regulations that establishes:

- the responsibilities of the Supervisory Board, its chairman and its vice-chairman;
- the operation of the Supervisory Board and the rules of conduct that its members have to adhere to;
- the way appointments are made to the Supervisory Board's committees, as well as the composition and role of these committees.

In the course of 2004 this set of regulations will be checked against the codes and be modified where necessary.

The company has included a number of measures in the Supervisory Board's regulations in order to safeguard the independence of the Supervisory Board's members and ensure that they avoid situations that could lead to a conflict of interests.

The Supervisory Board's regulations stipulate that Supervisory Board members must be able to perform their duties completely independently of each other and of the Managing Board. The regulations state, among other things, that in the event that a conflict of interests may arise the chairman shall decide that the member or members concerned:

- must refrain from voting on the relevant matter and/or
- may not attend the meeting or the part of the meeting in which the relevant matter is discussed and/or
- may not receive any documents relating to the relevant matter.

The chairman of the Supervisory Board is assisted by the company secretary. The company secretary is responsible for ensuring that the Supervisory Board follows all applicable procedures. The company secretary, who also acts as secretary to the Managing Board, is appointed and may be dismissed



by the Managing Board in consultation with the chairman of the Supervisory Board.

One or more Supervisory Board members will attend at least one Euronext Amsterdam Works Council meeting every year.

All new Supervisory Board members appointed after 1st January 2004 will follow an introduction programme and the chairman of the Supervisory Board will ask the corporate secretary to confirm that this is done. In addition, the chairman will see to the Managing Board's responsibility that all Supervisory Board members receive in a timely manner all information which is necessary for the proper performance of their duties. He will also ensure that there is sufficient time for consultation and decision-making by the Supervisory Board, and that the performance of the Supervisory Board, the Managing Board and their individual members is assessed at least once a year. The chairman decides the agenda of the Supervisory Board in consultation with the chairman of the Managing Board, and chairs the meetings.

As part of his duties, the chairman of the Supervisory Board is in regular contact with the chairman of the Managing Board.

In 2001 the Supervisory Board adopted an authorisation schedule in connection with its supervisory role. The authorisation schedule requires that certain important decisions must obtain prior approval from the Supervisory Board. In addition, the Supervisory Board is responsible for adopting the annual financial statements, which have to be signed by all members of the Supervisory Board and the Managing Board.

Once a year the Supervisory Board discusses corporate strategy and the associated risks in a separate meeting in the presence of the Managing Board. The budget is discussed in depth well before the start of the financial year and the Supervisory Board also discusses with the Managing Board the identified risks and the internal control system once a year. The Supervisory Board discusses at least once a year, without the Managing Board being present, its own functioning, that of the Managing Board and that of their respective individual members.

The Supervisory Board meets at least six times a year, and whenever one or more Supervisory Board members or Managing Board members deems this desirable.

The company will formulate a policy on the position of whistleblowers within the company in the course of 2004 and communicate the policy to the organisation at large.

Taking into account the criteria laid down in the Dutch Corporate Governance Code, the Supervisory Board will compare its existing rules on independence and potential conflict of interests and modify them where necessary. It will perform regularly checks whether any Supervisory Board member can be considered as independent. Furthermore it will evaluate the number of memberships held by the individual members of the Supervisory Board. The Supervisory Board will report on these matters in the 2004 annual report.

Supervisory Board members must observe the company's rules on the acquisition and disposal of Euronext shares.

8.2.2.1 Remuneration

The General Meeting determines the remuneration of Supervisory Board members. The Supervisory Board sets the remuneration and other terms and conditions of employment for the members of the Managing Board.

The remuneration policy is set out in this annual report and will be included as a separate item, on the agenda of the Annual General Meeting in 2005 for approval. Any proposals regarding granting of options to members of the Managing Board will be submitted to the General Meeting for approval. The main points of the remuneration report are contained in the report of the Supervisory Board (see chapter 4).

The company has not granted and will not grant any options, bonuses or loans to Supervisory Board members. Those Supervisory Board members who own shares in Euronext hold them as long-term investments.

8.2.2.2 Committees

The Supervisory Board has four committees: the Remuneration Committee, the Audit Committee, the Nomination Committee and the IT Committee. The Remuneration Committee and the Nomination Committee have the same members, and for that reason the description of these committees has been combined below. The

most important conclusions and recommendations of each committee meeting are reported to the Supervisory Board.

Various corporate governance codes contain recommendations for the composition and role of remuneration committees, nomination committees and audit committees. The company will compare the existing procedures and regulations of the committees with these recommendations, make any necessary changes during 2004 and report on this matter in the 2004 annual report.

Nomination/Remuneration Committee

The Nomination/Remuneration Committee advises the Supervisory Board on the nomination and remuneration of members of the Supervisory Board and the Managing Board. The committee usually meets twice a year.

As from the date of the Annual General Meeting of 2004 the Nomination/Remuneration Committee will also act as Corporate Governance Committee. The main task of the Corporate Governance Committee will be to review Euronext's corporate governance policy and to advise the Supervisory Board on changes, if necessary.

The Nomination/Remuneration Committee provides the Supervisory Board with advice on the remuneration policy, the remuneration (fixed and variable) of Managing Board members, and the remuneration report. It also discusses the Supervisory Board profile and the selection criteria, nomination, nomination procedures, size, composition and functioning of the Supervisory Board, and advises the Supervisory Board on these matters.

The Supervisory Board has asked the Managing Board to report to the Nomination Committee once a year on its selection and nomination policy for senior management.

The chairman of the Supervisory Board is also the chairman of the Nomination/Remuneration Committee. Euronext has opted for this structure for reasons of efficiency, and to ensure consistency and cohesion between the activities of the combined Nomination/Remuneration Committee.

The duties and procedures of the Nomination/Remuneration Committee are contained in the Supervisory Board's regulations.

Audit Committee

The role of the Audit Committee is to supervise activities relating to financial reporting, the internal control system, the external audit procedures, the organization of the company in relation to the applicable laws and regulations, and the role and performance of the internal auditor. The Audit Committee also discusses the internal auditor's audit plan. The committee meets before the annual results and interim results are adopted by the Supervisory Board. It also meets at least once a year to discuss the security of the information systems and the audit and financial reporting procedures.

The Audit Committee issues a recommendation to the Supervisory Board regarding the appointment of the external auditors, and discusses their fees and independence. It also examines procedures relating to rules connected with the code of conduct and ensures that the necessary action is taken to ensure all employees are kept up to date.

Every meeting of the Audit Committee is attended by the external and internal auditors as well as the Chief Executive Officer and the Chief Financial Officer. The Audit Committee also holds at least one meeting a year with the external auditors without any Managing Board members or the Chief Financial Officer or other Euronext employees being present. The Audit Committee is the external auditors' first point of contact in the event that any irregularities should be discovered in the company's financial reporting.

IT Committee

Because IT is considered key to Euronext's business activities, the Supervisory Board decided to establish an IT Committee in the course of 2003. The IT Committee assists and advises the Supervisory Board in governing and overseeing IT-related matters. Furthermore the Committee



supports the Managing Board by providing guidance and helps to clarify priorities with regard to IT issues.

The IT Committee normally meets three times a year. At least one meeting is devoted to the preparation of the annual IT plan.

The CEO, the Managing Board member responsible for IT and the senior IT officers normally attend the meetings of the IT Committee.

8.2.3 SHAREHOLDERS AND GENERAL MEETINGS OF SHAREHOLDERS

Euronext has only one class of shares - Ordinary Shares - and has no anti-takeover arrangements. Euronext supports the principle of one share, one vote. Shareholders representing at least 1% of the company's shares can add proposals to the agenda of the annual general meeting of shareholders up to 50 days before the date of the meeting. A proposal will be submitted to the Annual General Meeting in 2005 to allow shareholders having a shareholding of €10 million market capitalization or more, to do the same.

All registered shareholders are invited to attend the General Meetings, where they are asked to approve the financial statements and agree to other important decisions. Shareholders whose names are not in the shareholders' register and who hold their shares via Euroclear France S.A. may attend the General Meetings if they so request, and may vote in person on all items on the agenda. They can also complete a proxy voting form in order to allow Euroclear France S.A. to cast votes in their name. The company gives both registered shareholders and shareholders who hold their shares through Euroclear France S.A. the opportunity to vote by proxy.

In 2003, the General Meeting approved the inclusion of a record date in the articles of association. The inclusion of a record date gives the Managing Board the authority to state in the notice convening the General Meeting that those who had voting rights on the date referred to in the notice and

who are registered as such in a register kept for that purpose by the Managing Board can exercise this right at the General Meeting. This amendment to the articles of association, which is in line with Dutch legislation and corporate governance recommendations, avoids that shareholders should block their shareholdings before General Meetings, and increases efficiency.

The policy on dividend and addition to reserves and the dividend distribution are presented as separate items on the agenda of the General Meeting. Furthermore, the discharge of the Supervisory Board and the Managing Board from liability are presented as separate items on the agenda of the General Meeting.

The company will continue its policy to inform the General Meeting of all facts and circumstances relevant to approval, delegation or authorization to be granted to the Supervisory Board or Managing Board.

The Managing Board and the Supervisory Board shall provide the General Meeting with all requested information, unless this would be contrary to an overriding interest of the company. If the Managing Board and the Supervisory Board invoke an overriding interest, they will give reasons for doing so.

8.2.4 AUDITS OF FINANCIAL REPORTING AND THE POSITION OF THE EXTERNAL AUDITOR

Euronext's financial statements are subject to an independent external audit. The external auditors attend the meeting of the Supervisory Board at which the annual or semi-annual figures are discussed. The company's external auditors are appointed by the General Meeting each year. From 2004, the external auditors will attend the Annual General Meetings, giving shareholders the opportunity to question them with regard to their auditors' statement. It will be agreed with the audit firms that no lead partner will be in charge of the audit for more than five years.

Each year the Audit Committee assesses the fees charged by the external auditors and checks whether they are connected with the audit process or with other work related to the audit. The external auditors will not be engaged to perform any work that is not related to the financial audit unless the Audit Committee, authorised for that purpose by the Supervisory Board, has given express permission in order to ensure their independence. The Audit Committee and the Managing Board will also hold annual discussions on the role and functioning of the external auditors and determine their activities. The outcome of these discussions will be communicated to the Supervisory Board. Once every three years the functioning of the external auditors will be subject to a thorough assessment. The main conclusions of this assessment will be communicated to the General Meeting for the purpose of assessing the nominations for the appointment of the external auditors.

8.3 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

8.3.1 RISK MANAGEMENT AND CONTROL SYSTEM

The Dutch and French corporate governance codes recommend setting up an adequate internal risk management and control system. Although Euronext already implemented an internal risk management and internal control system, the company has launched a project to review and, where necessary modify, the current risk management and internal control system along the lines of the corporate governance codes. This review will also enable the Management Board of Euronext to issue a Group wide statement on the system's effectiveness and adequacy as from 2004.

The key elements of the current risk management and control system that are aimed at compliance with the corporate governance codes are described below.

8.3.2 RISK MANAGEMENT AND CONTROL POLICY

The Managing Board is responsible to ensure that the company complies with all relevant legislation and regulations. It reports on and accounts for the internal risk management and control systems to the Audit Committee and the Supervisory Board. The risk factors and the internal risk management are described in greater detail in chapter 7.4 of this report. The system of risk management and internal control does not only cover the financial controls that are significant for the proper and timely reporting of the financial condition of the group but equally covers all the other operations that are significant in the achievement of the business objectives of Euronext.

Within Euronext risk management and internal control are an integral part of business management and thus embedded in the business planning and review cycle. Parts of the tasks are thus delegated to the SBUs and support departments within a framework of delegated responsibilities. Other characteristics of the internal control and risk management system are the segregation of duties and the four-eye principle. Activities should fit within the scope of the budget and achievements should be reported on a regular basis to the level which has extended the delegation.

Internal Audit Services (IAS) and Risk Assurance Services (RAS)

Within the system of risk management and internal control, the key internal assurance providers are IAS and RAS. IAS was largely focussed on Cash Trading & Listing, Clearing, Corporate Information Systems, Information Services and support department operations, whilst the remit of RAS principally covered Derivatives operations.

IAS consists of 21 employees and is charged with the performance of operational reviews both in the area of Information Technology and other activities with all the various locations where the group operates. The department

reports directly to the CEO and where appropriate to the Supervisory Board's Audit Committee. Furthermore it has the mission to cover the entire organisation within the scope of an annual plan that is discussed in advance both with the Managing Board and the Audit Committee. The RAS team (6 employees) currently provides risk management services. Its responsibilities include development and agreement of an SBU risk strategy (including guidance on risk appetite), risk profiles, risk advice to management, operational risk assessment and consultancy on key business change and technology projects.

Both IAS and RAS have the authority to cover any area they deem of significance to the operations of Euronext and report thereon to an appropriate level of management. Follow-up reviews are conducted to ensure that appropriate corrective action is taken.

8.3.3 CHANGES IN 2004

Based on the outcome of review of the roles and responsibilities of key assurance providers within Euronext that was completed at the end of 2003, a separate Risk Management department providing the entire Group was established in February 2004. This function, together with independent assurance from IAS across the Group, provide the company with the basis of a common, effective internal risk and control system. Euronext continues to work towards its overall objective of embedding risk management into the culture, processes and operations.

8.3.4 THE ROLE OF EXTERNAL AUDIT

As a final part of the systems of risk management and internal control the company has appointed external auditors who are charged with full scope reviews of the financial statements of the company and its subsidiaries. In addition to the opinion issued on the financial statements as a whole they are expected to bring any issue they identify in the course of their audit and that is significant to the operations of the

Group to the attention of management. The external auditors have direct access to the Audit Committee.

8.3.5 FINANCIAL REPORTING PROCEDURES

Procedures have been drawn up for the internal and external reporting processes. Under the supervision of the Chief Financial Officer, the Finance departments of all Group's entities are responsible for issuing their local financial statements and corresponding reports. These information are sent out to the Group's consolidation department in order to elaborate the Group consolidated financial statements and the related financial communication. They particularly check the consistency of the financial they use to prepare the consolidated statements, together with other financial information submitted to internal and external reporting purposes. These procedures are evaluated periodically to ensure they take account of changing requirements. Compliance with these procedures is checked by the external auditors and by the internal auditors.

8.3.6 CODE OF CONDUCT

The company has implemented a set of rules of behaviour that employees have to observe in each country. There is also a group-wide code on dealing with price-sensitive information and insider trading. Euronext is currently harmonising its local corporate codes of conduct with regard to ownership of and transactions in financial instruments other than Euronext N.V. shares in 2004.

8.4 TRANSPARENCY

Euronext publishes its financial statements and annual report in English, Dutch and French. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of

Book II of the Dutch Civil Code. Euronext publishes quarterly results and organizes several meetings a year with analysts. The annual report, the agenda for the General Meeting and the procedures to be followed by shareholders who wish to attend the General Meeting or vote by proxy are published on Euronext's website.

In order to increase transparency for shareholders and investors, the information currently published on the website will be evaluated on the basis of the various corporate governance codes and will be modified where necessary.

8.5 FUTURE POLICY

Euronext's current statutory structure regime is laid down in the company's articles of association and is based on chapter 4 part 6, of book 2 of the Dutch Civil Code. The structure regime includes a two-tier board system and was adopted at the time on a voluntary basis. In anticipation of proposed changes in the law on the structure regime, the Supervisory Board has been considering the possibility of abolishing the provisions of the structure regime at the level of Euronext N.V., and the implications thereof for the corporate governance of Euronext N.V. as well as for Euronext Amsterdam N.V.

However, in the context of the adoption of the Dutch corporate governance code, questions have been raised from various sides, as to whether the rules of Dutch law on the structure regime, or in any event the mandatory application thereof, should not be abolished altogether; or alternatively whether the proposed changes as contained in a bill currently pending before Parliament in the Netherlands should not be revised in a number of respects. Given the uncertainty about the outcome of this debate, the Supervisory Board has come to the conclusion that it would be premature to propose changes in the articles of association of Euronext N.V. as long as it is not known to what extent and in what way the law will be changed. The Supervisory Board continues to closely follow the developments and, assuming that more certainty about the expected changes in the law will become available in the course of 2004, intends to submit appropriate changes in the articles of association of Euronext N.V. to the Annual General Meeting to be held in 2005.

The previous pages summarize Euronext's position with regard to the company's corporate governance. The Managing Board and Supervisory Board of Euronext wish to emphasize that they will continue to follow international developments closely.



8.6 EURONEXT'S BOARDS AND ADMINISTRATION

8.6.1 SUPERVISORY BOARD

The company's Supervisory Board currently consists of twelve members:

JAN-MICHEL HESSELS, CHAIRMAN

Date of birth: 21st December 1942.
Nationality: Dutch.
Date of first appointment: 2000.
Expiry of term: 2004.
Re-appointment will be on the agenda of the Annual General Meeting.
Position in the company: Chairman of the Supervisory Board, member of the IT Committee, Chairman of the Nomination Committee, Chairman of the Remuneration Committee.
Principal position outside the company: Company Director.
Positions in other companies: member of the Supervisory Boards of Royal Philips Electronics N.V., The Netherlands - Schiphol Groep N.V., The Netherlands - Royal Vopak N.V., The Netherlands - Laurus N.V., The Netherlands (until May 2004) - Heineken N.V., The Netherlands - Fortis N.V., The Netherlands/Belgium, member of the Board of Barnes & Noble.com, USA (until April 2004).

DOMINIQUE HOENN, VICE-CHAIRMAN

Date of birth: 12th April 1940.
Nationality: French.
Date of first appointment: 2000.
Expiration of term: 2004.
Re-appointment will be on the agenda of the Annual General Meeting.
Position in the company: Vice-Chairman of the Supervisory Board, member of the Nomination Committee, member of the Remuneration Committee.
Principal position outside the company: Senior Advisor of BNP Paribas, France.
Positions in other companies: member of the Board of Clearstream International, Luxembourg, non-executive director of LCH. Clearnet Group Limited, UK, and member of the Board of the *Autorité des Marchés Financiers*, France (AMF).

JEAN BLONDEAU

Date of birth: 5th August 1935.
Nationality: French.
Date of first appointment: 2000.
Mr Blondeau was re-appointed to the Supervisory Board in 2003.
Expiration of term: 2007.
Position in the company: member of the Supervisory Board.
Principal position outside the company: retired.
Positions in other companies: member of the Supervisory Boards of IDEX (*Industrielle d'exploitation de l'Energie*), France - Placements-Sécurité (subsidiary of Groupe ABN-AMRO), France - Etablissements Geyer Frères S.A., France - Cominfrac S.A., France.

GEORGE COX

Date of birth: 28th May 1940.
Nationality: British.
Date of first appointment: 2002.
Expiration of term: 2006.
Position in the company: member of the Supervisory Board, Chairman of the IT Committee.
Principal position outside the company: Managing Director of the Institute of Directors, UK.
Positions in other companies: Non-Executive Director of Bradford & Bingley plc, UK and Shorts plc UK.

ANDRÉ DIRCKX

Date of birth: 9th February 1936.
Nationality: Belgian.
Date of first appointment: 2000.
Mr Dirckx was re-appointed to the Supervisory Board in 2003.
Expiration of term: 2007.
Position in the company: member of the Supervisory Board, member of the Nomination Committee, member of the Remuneration Committee.
Principal position outside the company: retired.
Positions in other companies: Chairman of the Board of Confinimmo S.A., Belgium - Member of the Board of directors of ASBL "Les Petits Riens", Belgium.

PAUL VAN DEN HOEK

Date of birth: 12th February 1939.
Nationality: Dutch.
Date of first appointment: 2002.
Expiration of term: 2006.
Position in the company: member of the Supervisory Board.
Principal position outside the company: partner in the law firm Stibbe.
Positions in other companies: Chairman of the Supervisory Boards of ASM International N.V., The Netherlands - Ballast Nedam N.V., The Netherlands - Buhrmann N.V., The Netherlands - Het Financieele Dagblad B.V., The Netherlands - Robeco Group N.V and Robeco N.V., Rolinco N.V., Rorento N.V., The Netherlands - Wavin B.V., The Netherlands - Member of the Board of AON Groep Nederland B.V., The Netherlands.

BARON JEAN PETERBROECK

Date of birth: 17th July 1936.
 Nationality: Belgian.
 Date of first appointment: 2000.
 Expiration of term: 2004.
 Re-appointment will be on the agenda of the Annual General Meeting.
 Position in the company: member of the Supervisory Board, member of the Audit Committee, member of the IT Committee.
 Principal position outside the company: Chairman of the Board of Directors of Petercam Group.
 Positions in other companies: member of the Supervisory Boards of Cobhira N.V., Belgium - CMB N.V., Belgium - Editeco S.A., Belgium - Koramic N.V., Belgium - Lixon S.A., Belgium - Groupe Lhoist S.A., Belgium - Invefin S.A., Belgium.

RICARDO SALGADO

Date of birth: 25th June 1944.
 Nationality: Portuguese.
 Date of first appointment: 2002.
 Expiration of term: 2006.
 Position in the company: member of the Supervisory Board, member of the Nomination Committee, member of the Remuneration Committee.
 Principal position outside the company: member of the Executive Board of the Espirito Santo Group.
 Positions in other companies: Vice-Chairman and President of the Executive Committee of Banco Espirito Santo, Portugal - Chairman of the Board of Directors of Espirito Santo Financial Group S.A., Luxembourg.

RENÉ DE LA SERRE

Date of birth: 3rd July 1940.
 Nationality: French.
 Date of first appointment: 2000.
 Mr De La Serre was re-appointed to the Supervisory Board in 2002.
 Expiration of term: 2006.
 Position in the company: member of the Supervisory Board.
 Principal position outside the company: retired.
 Positions in other companies: member of the Board of Directors of Compagnie Financière Saint-Honoré (S.A.), France - Crédit Lyonnais (S.A.), France - La Compagnie Financière Edmond de Rothschild Banque (S.A.), France - Harwanne Compagnie de participations industrielles et financières S.A., Switzerland - Nord-Est (S.A.), France - Pinault-Printemps-Redoute (S.A.), France - Sanofi-Synthélabo (S.A.), France - Schneider Electric (S.A.), France - Tawa UK Ltd, UK.

RIJNHARD VAN TETS

Date of birth: 7th April 1947.
 Nationality Dutch.
 Date of first appointment: 2003.
 Expiration of term: 2007.
 Position in the company: member of the Supervisory Board, member of the Audit Committee.
 Principal position outside the company: Advisor of the Managing Board of ABN-AMRO Bank N.V., The Netherlands .
 Positions in other companies: Chairman of the Supervisory Board Wegener N.V., The Netherlands - Chairman of Investment Committee Verenigd Bezit, The Netherlands - Chairman of Investment Committee Sociaal Fonds Bouwnijverheid, The Netherlands - Member of the Supervisory Boards of : Holland Casino, The Netherlands;- Arcadis, The Netherlands; I.F.F. (Nederland) Holding B.V., The Netherlands.

REMI VERMEIREN

Date of birth: 23rd February 1940.
 Nationality: Belgian.
 Date of first appointment: 2000.
 Mr Vermeiren was re-appointed to the Supervisory Board in 2002.
 Expiration of term: 2006.
 Position in the company: member of the Supervisory Board, Chairman of the Audit Committee.
 Principal position outside the company: retired.
 Positions in other companies: member of the Supervisory Boards of Bank SanPaolo IMI, Italy - Crédit Commercial de France, France.

SIR BRIAN WILLIAMSON

Date of birth: 16th February 1945.
 Nationality: British.
 Date of first appointment: 2002.
 Expiration of term: 2006.
 Position in the company: member of the Supervisory Board.
 Principal position outside the company: Senior advisor of Fleming Family and Partners.
 Positions in other companies: Chairman of Electra Investment Trust plc, UK - Director of HSBC Holdings plc, UK - Chairman of the Advisory Board of Army Common Investment Fund, UK.

Mr Blondeau has indicated his wish to step down following the 2004 Annual General Meeting of Shareholders. Due to retirement of Mr Blondeau, the Supervisory Board has nominated Mr Patrick Houël as new member: This nomination will be part of the agenda for the Annual General Meeting on 26th May 2004.

PATRICK HOUËL

Date of birth: 25th July 1942.
 Nationality: French.
 Principal position outside the company: Chief Financial Officer of LVMH Group - Moët Hennessy Louis Vuitton, France (until September 2007).

The members of the Supervisory Board are not prohibited to have shares of the company. As of 31st December 2003, two members of the Supervisory Board, Mr de La Serre and Baron Peterbroeck, held 2,000 and 5,000 shares of Euronext N.V. respectively.

8.6.2 MANAGING BOARD

The Managing Board currently consists of five members:

Jean-François Théodore, CEO and Chairman of the Managing Board

Jean-François Théodore, (57), holds a law degree from the University of Paris and is a graduate of the *Institut d'Etudes Politiques de Paris* and the *Ecole Nationale d'Administration*. He was appointed as Chairman of the Board of Directors of ParisBourse in 1990. He was appointed as CEO and Chairman of the Managing Board of Euronext in 2000.

Jean-François Théodore was President of the Federation of European Securities Exchanges from 1998 to 2000. He chaired the International Federation of Stock Exchanges in 1993 and 1994. He was Chairman of Sicovam from 1993 to 2000 and has been Chairman of the Paris Europlace Steering Committee since 1997.

Before becoming Chairman of the Board of Directors of ParisBourse, Jean-François Théodore worked for the French Treasury from 1974 to 1990.

Outside directorships: member of the board of AtosEuronext (no remuneration); member of the board of Clearnet/LCH.Clearnet (no remuneration); member of the Supervisory Board of Euroclear (remuneration: €24,000 per annum); member of the Supervisory Board of Atos Origin (remuneration: €23,384 per annum); member of the board of GLTrade (no remuneration).

Hugh Freedberg, Member of the Managing Board

Hugh Freedberg, (58), was educated in South Africa at the University of Witwatersrand and at the University of South Africa, completed senior management programmes at Harvard and at Amos Tuck School of Business Administration, Dartmouth College, USA. He has been Chief Executive of LIFFE since 1998. He was appointed as Member of the Managing Board of Euronext in 2002.

Before becoming Chief Executive of LIFFE, Hugh Freedberg worked for the American Express Group, Salomon Inc.,

the Hill Samuel Group, the TSB Group, Macquarie Bank, and was a partner at Korn Ferry International.

Outside directorships: none.

João Freixa, Member of the Managing Board

João Freixa, (47), holds a degree in business administration from the Lisbon High Institute of Economics and an MBA from the New University of Lisbon. He was appointed as Member of the Managing Board of Euronext in 2003.

Before becoming member of the Managing Board of Euronext, João Freixa worked for the Instituto Superior de Economia, Price Waterhouse, the Portuguese Industrial Group, and Barclays Bank.

Outside directorships: none.

Olivier Lefebvre, Member of the Managing Board

Olivier Lefebvre, (46), in 1981, holds an MBA from Cornell University and a Doctorate in Economics from the Catholic University of Louvain-La-Neuve. He became Chairman of the Executive Committee of the Brussels Stock Exchange in 1996. He was appointed as Member of the Managing Board of Euronext in 2000.

Before becoming Chairman of the Executive Committee of the Brussels Stock Exchange, Olivier Lefebvre worked at the Catholic University of Louvain-La-Neuve, Generale Bank and the Belgian Ministry of Finance.

Outside directorships: member of the Belgian Corporate Governance Committee.

George Möller, Member of the Managing Board,

George Möller, (56), holds a degree in economics from the University of Groningen. He was appointed as General Manager of the European Options Exchange (EOE) in 1996 and appointed President of Amsterdam Exchanges after the merger of the EOE with the Amsterdam Stock Exchange in 1997. He was appointed as Member of the Managing Board of Euronext in 2000.

George Möller has been President of the Federation of European Securities Exchanges from 2000 to 2003.

Before becoming General Manager of the EOE, George Möller worked at Amro Bank, the Deli Company, and Pierson, Heldring & Pierson (and subsequently MeesPierson). From 1992 until 1996, he was a Board Member of LIFFE and Chairman of its Equity Market Committee.

Outside directorships: member of the Supervisory Board of ENDEX (no remuneration); member of the board of VNO/NCW (no remuneration); member of the board of Dutch Securities Institute DSI (no remuneration); President of the board of Federation of European Securities Exchanges FESE (no remuneration); member of the Dutch corporate governance committee (no remuneration); member of the Dutch Bankraad (remuneration: €2,268 per annum).

As from 1st April 2004, Mr Möller is no longer employed by the company.

8.6.3 OPERATIONAL COMMITTEE

In 2002, an Operational Committee was established to discuss strategic matters and to share information. This committee consists of thirteen persons and meets frequently. All members of the Managing Board participate in the Operational Committee as well as executives from the SBUs and Group lines or central support departments. On 31st December 2003, the following persons, apart from the members of the Managing Board, were members of the Operational Committee:

- Tarak Achiche – Corporate Information Systems
- Roland Bellegarde - Cash Trading and Listing
- Leni Boeren - Information Services and Business Strategy
- Peter Friend - Euronext.liffe
- Serge Harry – Finance
- Mark Hemsley - Euronext.liffe (Market Solutions)*
- Maureen Laurie - Human Resources
- Patrick Stephan – Legal

() As from 1st April 2004, Mark Hemsley is no longer employed by the company.*



8.6.4 OTHER INFORMATION

• Stock options of the Managing Board and Operational Committee members

At 31st December 2003, the number of stock options held by the members of the Managing Board amounted to (see also chapter 6, § 6.3.10):

- Plan SBF⁽¹⁾: 100,849;
- Plan 2001⁽²⁾: 49,340;
- Plan 2002⁽³⁾: 73,845;

None of these options were exercised in 2003.

At 31st December 2003, the number of stock options held by the members of the Operational Committee* amounted to (see also chapter 6, § 6.3.2.11):

- Plan SBF⁽¹⁾: 125,143;
- Plan 2001⁽²⁾: 10,530;
- Plan 2002⁽³⁾: 63,263.

• Transactions involving members of the Supervisory Board, Managing Board and Operational Committee

None.

• Loans or guarantees made to the Supervisory Board, Managing Board and Operational Committee

None.

• Assets held directly or indirectly by executives or members of their families

None.

• Interest of executives in the capital of the issuer, in the capital of a company that controls issuers, in the capital of a subsidiary of the issuers, or in a customer or supplier of the issuer

None.

(*) Are not included the stock options granted to Mr Hemsley that have lapsed as from 1st April 2004 with the departure of this latter from the company.

(1) Plan SBF: expiry date: 2007, exercise price: €5,62 .

(2) Plan 2001: expiry date: 2011, exercise price: €24,00 .

(3) Plan 2002: expiry date: 2009, exercise price: €21,08.